

July - September
2002



WASHINGTON STATE
GAMBLING COMMISSION

Focus n Gambling

Looking For Your Input: Strategic Planning Begins

The Washington State Gambling Commission has kicked off its Strategic Planning efforts. A Strategic Plan is really a map for the agency's future, in alignment with the agency's mission: *"Protect the public by ensuring gambling is legal and honest."* It will form the foundation for what we will focus on as an agency, and how we will use our resources (people, money, and equipment).

Who: We have identified you, our licensees, as one of our main customers and your feedback is an essential element that will help determine which areas we want to focus on in the future. The agency's Strategic Plan will be a stronger, more useful tool if it includes information that you provide.

What: The information we need from you has been boiled down to two questions, which are on page 35. Please take the time to answer these questions.

When and Where: During the October 10, 2002, Commission meeting study session (see page 9), we will be discussing the two questions. The session begins at 10:30 a.m. at the WestCoast Grand Hotel at The Park, 303 West North River Drive, Spokane, WA 99202 - (509) 326-8000. We hope to see you there.

If you are unable to attend, please forward your response by **October 14, 2002**, via:
Mail: WSGC, Attn: Strategic Planning, P.O. Box 42400, Olympia, WA 98504-2400;
Fax: (360) 486-3634 "Attention - Strategic Planning"; or
E-mail: StrategicPlanning@wsgc.wa.gov.

The Agency's goal is to have its Strategic Plan finalized by May 2003. This Strategic Plan should take us through 2008. We plan to thoroughly reassess the environment and revise the plan, as needed every few years. Once finalized, the key to the plan's value will be ensuring our processes, procedures, and projects support our current goals and that they stay in touch with any changes in our goals in the future.

If you have any questions, please e-mail StrategicPlanning@wsgc.wa.gov, or call Greg Thomas at (425) 339-1728, ext. 232 or Amy Patjens at (360) 486-3463 or (800) 345-2529, ext. 3463 or

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Inside this Issue:

- | | |
|-----------|-------------------------------------|
| 2 | Sports Pools and Fantasy Football |
| 5 | Changes in Card Room Training |
| 5 | Rules & Agendas on the Website |
| 6 | Administrative Case Update |
| 8 | Overview of Rule Changes |
| 9 | Fee Increase Under Discussion |
| 10 | New Fines for Late Activity Reports |
| 11 | Fines Paid for Late Reports |
| 12 | Field Office Move |
| 12 | Comparing Licensee Statistics |
| 13 | Updated Rules |
| 35 | Stakeholder and Customer Survey |

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What You Need to Know About Sports Pools and Fantasy Football Leagues

Football season is here and many people like to participate in sports pools and fantasy football leagues. Therefore, this is the time of the year we remind everyone what's legal and what's not for sports betting in Washington State.

Under Washington State law (RCW 9.46.0269), anyone who engages in any form of gambling or materially aids any gambling activity is guilty of the crime of "Professional Gambling" unless the law specifically authorizes the activity.

Sports wagering in Washington is authorized under two categories:

- 1) Sports wagering by individuals is allowed by **Player Exception** (RCW 9.46.0265). The requirements of this law include:
 - Only individuals (**not businesses**) may be involved in the activity;
 - No one may receive any profit from the activity other than their gambling winnings; and
 - All players must participate on equal terms.
- 2) **Sports Pools** for both businesses and individuals (RCW 9.46.0335). See article on page 3 for requirements.

WHO IS INVOLVED IN THE WAGERING? Business vs. Individuals

The "player exception" rule makes an important distinction between gambling that involves individuals (natural persons) and gambling which involves businesses (taverns, corporations, partnerships and other associations of persons). For the purposes of the article, the words "individuals" and "businesses" will be used to distinguish between these two categories.

BUSINESSES

Businesses may not be involved in sports wagering, except for sports pools as authorized in RCW 9.46.0335 (see "Sports Pools" article on page 3). This applies whether the business is directly involved in the wagering or is materially aiding the gambling activity. Examples of materially aiding would include allowing betting to take place at your business premises, providing supplies or equipment, arranging or operating the game, or inviting persons to play.

For example, if a bookmaker is taking bets at your business and you do nothing about this, you are "materially aiding gambling." This is illegal for all involved and also jeopardizes your gambling license. RCW 9.46.0269(2) states that if a person having control over a premises (owners or managers) permits the premises to be used for the purpose of conducting illegal gambling activity, that person is considered engaging in professional gambling. If you allow this to happen, you may be subject to administrative charges against your gambling license. **Don't put your license at risk by overlooking these activities. Take responsibility for your business.**

(Continued on page 3)

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INDIVIDUALS

Individuals may participate in sports wagering so long as only individuals are involved and no one makes any money other than their gambling winnings. Individuals may help arrange or facilitate the game; however, **they may not be paid any fee for doing so.**

For example, two people may bet \$20 on a football game, as long as the winner gets the entire \$20 from the loser and no one else profits from the transaction.

Individuals may also conduct sports pools/sports boards when the special rules discussed under “Sports Pools – Sports Boards” are followed.

Bracket pools during playoffs (the NCAA basketball tournament, for example) are allowed as long as an individual (not a business) is running this (collecting the bets) and all of the money goes back to the player who happened to pick all of the right winning teams. We strongly suggest that in these pools, if no one picks the right team, the person running the pool states up front how the money will be distributed. An easy solution is to give it to a charity. The person running the pool cannot just keep the money or take any amount of the bets to compensate himself for his time and effort.

Licensees should be alert for any personal betting activities that occur on their premises. Person to person wagers are allowed as long as:

- *The wagers are not being accepted as part of a business; and
- *An additional fee or “vigorish” is not charged for the opportunity to make a bet.



A VIGORISH MAKES IT ILLEGAL

Gambling is always illegal in Washington if anyone is taking a vigorish, “vig”, “juice”, fee, or any other form of payment other than his or her winnings as a player.

For example, if you make a \$20 bet on a football game and, if you lose, have to pay a third party \$22 (or any amount greater than what you bet), this would be illegal. The extra \$2 is called the “vig” or “juice.” Even though this 10 percent fee may not sound like much extra, this “transaction fee” is what makes the activity illegal.



SPORTS POOLS – SPORTS BOARDS

Sports pools, also called sports boards, are authorized under Washington State law and strict rules must be followed when conducting them. **Both businesses and individuals may conduct sports pools.**

Each business or individual may offer only one board on any single athletic event. You must have:

- * **100 squares** on the board; and
- * Charge no more than **one dollar** per square.

Numbers representing game scores are randomly assigned to each square and each player picks a square.

If you plan to conduct this type of sports pool, be sure to familiarize yourself with the law. For example, whether operated by a business or an individual, it is illegal to have a board where you:

- * Have more than one board per athletic event;
- * Offer 10 squares, instead of 100; or
- * Charge more than one dollar per square.

However, there is no limitation on the number of free “promotional” boards you may offer, as long as no consideration of any nature is required to play.

Anyone operating a sports pool should develop and post house rules regarding how the pools will be conducted. For example, a deadline for collecting prize money, winner identification and requirements for someone other than a winner collecting a prize, what will happen in the event of a tie and how to distribute the money if a winning square has not been sold.

At any time prior to the payment of a prize, the board must be made available for inspection by anyone purchasing a chance, Gambling Commission agents or Law enforcement representatives.

These limitations apply to all sporting events equally (i.e. Super Bowl, Final Four, etc.).

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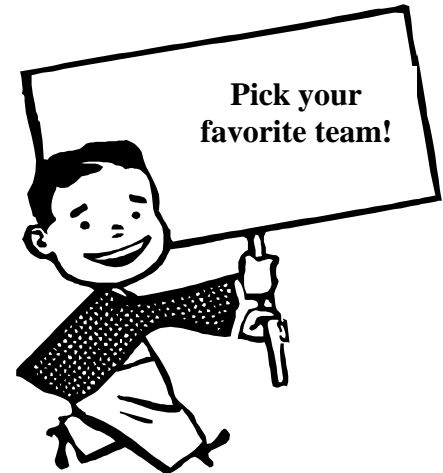
FANTASY FOOTBALL LEAGUES

Fantasy sports leagues are games where participants pay a fee to pick players from different teams to make up their own fantasy team. Points are accumulated during the season based on the performance of these specific players. This is a gambling activity because participants are wagering something of value on a future contingent event not under their control or influence on the chance of winning a prize. The Commission regulates, but does not license, this activity.

Fantasy Football falls under the player exception rule and therefore, may only be conducted by individuals, not businesses or taverns.

Commission staff has determined in the case of “fantasy sports leagues” that the player conducting the game may use part of the fees collected to cover direct expenses (materials, supplies, copying, etc.). Any fees collected must be used for expenses only, and expenses do not include payment to any participant for time spent working on the activities. Simply stated, no salaries or wages can be paid, and no one can profit from the activity other than from personal winnings.

Each particular contest must be analyzed according to its particular facts. However, the bottom line is that the money must go back to the participants, less a reasonable amount for expenses that does not include salaries or wages to any of the participants.



ADVERTISING SPORTS WAGERING

You may advertise (newspapers, signs, Internet, television, etc.) in Washington State any gambling activity authorized under Washington State law. However, under federal (18 U.S.C. Sec 1084) and state law (RCW 9.46.0269.), conducting gambling activities over the Internet or telephone is illegal.

State: As noted in the beginning of this sports betting article, gambling in Washington is illegal unless specifically authorized by Washington State law. Internet gambling is not authorized under Washington State law and is therefore, illegal in this state.

Federal: All gambling must take place within the state authorizing the activity. When you advertise on the internet, you may be sending advertisements into other states where Washington laws do not apply and soliciting citizens outside of Washington to engage in an activity that is not legal in their state. Therefore, while advertising is OK, accepting wagers over the telephone or Internet is not legal and is a violation of the Federal Wire Act.

For example, an **individual** in Washington may advertise their Fantasy Football game over the Internet to Washington residents. However, wagers cannot be placed or accepted over the Internet or telephone.

<p>WSGC Mission Statement: Protect the public by ensuring that gambling is legal and honest.</p>
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ATTENTION: Card Room Operators Changes in Card Room Training

The Commission will no longer conduct mandatory card room training and has assigned this responsibility to card room operators. Between now and December 31, 2002, the Gambling Commission will provide card room management with training materials for use in training card room employees regarding Gambling Commission rules and criminal violations.

? **Licensed card room operators:** The field agent assigned to your facility may have already contacted you to go over the new application format and training materials. Once the agent has met with your management, you may begin using the new application format for your new card room employees.

? **Future card room licensees:** New owners and management will be trained by adding information from our instructor led classes into the Pre-operation Review and Evaluation (P.O.R.E.). Card room owners and management will satisfy the mandatory training requirement during a P.O.R.E.

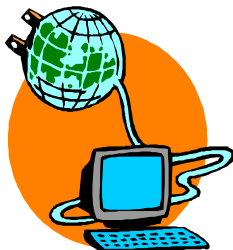
? Documentation that training took place is required in each card room employee's application packet. When fully implemented, new applicants who submit the new licensing application will receive their training from your card room's management within 30 days following their first day of work.

? If your field agent has not scheduled an appointment with you by December 1 to go over the training materials, call your agent directly or your regional field office. If you have any questions about this change, please contact your local field agent or Dawn Warren, Licensing Supervisor, at (800) 345-2529 Ext. 3546 or (360) 486-3546.

All About Rules On The Website

A new page has been created on our website called *All About Rules*. In addition to gambling rules and laws, this page contains information about the agency's rule making process, such as:

- The agency's new Rules Team;
- A list of rules that the Rules Team is considering for possible amendment;
- How to Petition the Commission for a Rule Change;
- An index of rules and laws that have been amended since your September 2001 Rules Manual was published;
- Dates and locations of public hearings held to discuss possible rule changes and an explanation of the proposed rule changes under discussion;
- Contact information;
- And much more.



Commission Meeting And Study Session Agendas On The Website

Approximately two weeks prior to each Commission meeting, the meeting agenda is posted on our website under Public Meetings. The following documents are linked to the agenda:

- Study session agenda;
- List of licenses up for approval;
- Reviews (nonprofit qualification, manufacturer, financier, etc.)
- Text of proposed rule changes; and
- Explanations of each proposed rule change.

For your convenience, we have created an e-mail distribution list to notify you that the meeting agenda is posted on the website. This way you don't need to check the website as often to see if the agenda is posted.

If you would like to be included on the new e-mail distribution list, please e-mail Carol Becerra at carolb@wsgc.wa.gov or you may call her at (360) 486-3464 or (800) 345-2529, ext. 3464.

Administrative Case Update

LICENSEE	VIOLATION	CASE OUTCOME
Spokane Athletic Round Table (SART), Spokane	Internal control violations, failure to demonstrate significant progress toward meeting its stated purposes, and operating with an expired license.	A hearing was held before an Administrative Law Judge in December 2001. The Administrative Law Judge ordered the revocation of SART's licenses. The licensee filed a Petition for Review by the Commission. The Commission upheld the Administrative Law Judge's Order; the licensee did not appeal; therefore, the licenses are revoked.
American Red Cross, Cowlitz/Wahkiakum Chapter, Longview	Failure to implement independent management control system.	The licensee agreed to a thirty-day suspension. Fifteen days were deferred for one year. The remaining fifteen days were vacated by payment of \$5,000. The licensee also agreed that its gambling manager, Vicky Humphrey, would have no further involvement with its gambling activities for a minimum of two years.
Vicky Humphrey (Gambling Manager, American Red Cross, Cowlitz Wahkiakum Chapter, Longview)	Failure to maintain inventory logs for pull-tab and bingo merchandise, and failure to properly safeguard those assets.	The licensee agreed to surrender her license for five years.
Freddie's Club Casino, Everett	Allowing an unauthorized person to perform gambling activities, making an untrue statement to Commission staff, and extension of credit.	The licensee agreed to a ten-day suspension. Seven days were deferred for one year. The remaining three days were vacated by payment of a \$35,296 fine and reimbursement of the Commission's investigative and administrative costs of \$1,740.
Jimmy Jack's Casino, Everett	Failure to disclose loans, extension of credit, incomplete/inaccurate records, failure to maintain an adequate closed circuit television system, and failure to use logo cards in poker games.	The licensee agreed to a fifteen-day suspension. Eight days were deferred for one year. The remaining seven days were vacated by payment of \$8,038, and reimbursement of the Commission's investigative and administrative costs of \$3,540.
Hi Line Lanes, Burien	Failure to reconcile its Player Supported Jackpot with bank statements, failure to comply with reporting and accounting procedures, and allowing a licensee to work without first obtaining the required license.	The licensee subsequently corrected its reporting errors, provided all information requested, and agreed to a ten-day suspension. Seven days were deferred for one year. The remaining three days were vacated by payment of a \$350 fine (based on 50% of the licensee's card room net win for three days), and reimbursement of the Commission's investigative and administrative costs of \$3,480.

Administrative Case Update

LICENSEE	VIOLATION	CASE OUTCOME
River Bend Casino, Spokane	Failure to accurately report card room gross gambling receipts, and failure to provide Commission staff with requested information regarding a substantial interest holder.	The licensee agreed to a ten-day suspension. Seven days were deferred for one year. Two days were vacated by payment of \$4,624, and the remaining day was served on May 26, 2002. The licensee also reimbursed the Commission for its investigative and administrative costs of \$6,634.
Higgins Enterprises, Tacoma	Sale of gambling equipment to an unlicensed business.	The licensee agreed to a seven-day suspension. Six days were deferred for one year. The remaining day was served on June 29, 2002. The licensee also reimbursed the Commission for its investigative and administrative costs of \$900.
Mr. Ed's Bingo & Casino Supply, Mukilteo	Sale of pull-tabs to two unlicensed operators and violation of two previous Agreed Orders.	The licensee served three days of a deferred suspension due to its violation of prior Agreed Orders. The licensee also agreed to a seven-day suspension to settle the pending charges. Three days were deferred for one year. The remaining four days were vacated by payment of a \$7,100 fine, and reimbursement of the Commission's investigative and administrative costs of \$900.
Amusement Services, Seattle	Placing commercial amusement games in an unlicensed premise for approximately 22 months.	The licensee agreed to a thirty-day suspension. Fifteen days were deferred for one year. The remaining fifteen days were vacated by payment of \$4,440, and reimbursement of the Commission's investigative and administrative costs of \$600.
Seattle Pizza Partners (Chuck E. Cheese), Seattle	Operating commercial amusement games with an expired license.	The licensee agreed to a ten-day suspension. Five days were deferred for one year. The remaining five days were vacated by payment of a \$3,210 fine, and reimbursement of the Commission's investigative and administrative costs of \$690.
Arnold Torres (CRE, formerly employed at Silver Dollar Casino, Tukwila).	Failure to disclose criminal history.	Prior to hearing, the licensee agreed to surrender his license until May 2003, and reimburse a portion of the Commission's fees incurred for hearing delays and preparation.
Benjamin Tronson (CRE, formerly employed at Double Down Saloon, and The Palace, La Center).	Criminal history, and failure to disclose criminal history.	The licensee requested a hearing, which was held on May 23, 2002. In July, the Administrative Law Judge issued his Initial Order revoking Mr. Tronson's license. The licensee did not appeal; therefore, the license is revoked.
Samuel Wilson, (CRE, formerly employed at Royal Club and Skyway Park Bowl, Seattle, and Silver Dollar Casino, Tukwila).	Criminal history.	Prior to hearing the licensee agreed to surrender his license, and not reapply until after January 31, 2003.

Overview Of Amended Gambling Rules

Rules adopted at the August 2002, Commission meeting are included on pages 13 - 33.
Please insert these updated rules into your September 2001 Rules Manual.

Bingo – Effective September 13, 2002

The Commission adopted changes to bingo rules at the August 9, 2002, Commission meeting to implement Engrossed House Bill 2918, which was passed during the 2002 Legislative session.

The purpose of the law change was to allow charitable and nonprofit organizations to conserve funds so that they may use monies for their stated purposes, rather than on operating expenses (such as rent and utilities).

These rules are a result of meetings staff had with licensees during April and May and discussions at the June and August Study Sessions and Commission meetings. The rule changes address the following:

- 1. Days of Operation:** Bingo licensees may now operate games seven days a week.
- 2. Change in Schedule:** Bingo licensees no longer need to notify staff of changes to their game schedule.
- 3. Shared Facility Only:** This rule outlines the requirements bingo licensees must follow when sharing a facility and managing their own bingo games. Licensees in shared facilities will draw up a contract outlining how the expenses will be shared. Each licensee will manage its own gambling activities and will not take part in the games of other licensees sharing the facility. Each licensee in a shared facility is responsible for its own gambling activities, financial income, expenses, equipment, inventory, reporting and recordkeeping requirements.



4. Shared Management within a Shared Facility: During meetings with the bingo industry, licensees requested the ability to share management within a shared facility. The Commission adopted a new rule to allow shared management.

Bingo licensees operating with shared management must declare a lead organization that is primarily responsible for the bingo games. Furthermore, a contract outlining how revenue and expenses will be divided and additional operational details will be required. Each licensee will continue to keep separate records and complete their own activity reports.

5. Warning in Advertisements: This rule is the same as the new law. It requires licensees, which operate in a facility, which offers bingo more than three times a week, to include a problem gambling warning in all bingo advertisements.

6. Equipment: Licensees which share a facility may share a cash register.



Fingerprinting – Effective September 13, 2002

The Commission amended a rule at the August 9, 2002, Commission meeting to implement Senate Bill 6491, which was passed during the 2002 Legislative session. This legislative amendment clarified the Commission's ability to perform fingerprinting and National Criminal History background checks on applicants for a gambling license. The new law required the Commission to identify which persons named on an application are subject to a National Criminal History Background Check. Therefore, WAC 2390-04-180 was amended to clarify which applicants are subject to the background checks. This change does not add any new requirements for applicants.

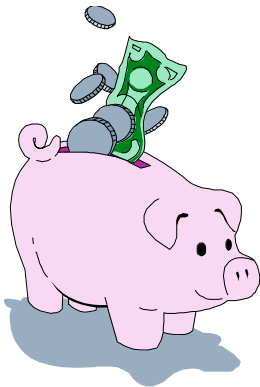
Petition for Rule Change to Poker Game Rules Effective January 1, 2003

Currently, WAC 230-40-610 requires card room owners and on-duty card room employees that are playing in a poker game with a player-supported jackpot to show their cards at the end of each game when the prize is not based upon a predetermined hand. This requirement prevents an owner or employee from folding their hand to avoid paying out a jackpot, which has occurred in the past.

Ms. Sherry Gillard felt that requiring owners and on-duty employees to show their cards after every game compromised their playing style and ability to effectively participate in a game. Therefore, Ms. Gillard submitted a Petition for Rule Change. Staff supported Ms. Gillard's petition, in that the public would not be negatively impacted if owners and on-duty card room employees did not show their cards after games in which there was no chance of the jackpot being paid out.

The Commission adopted Ms. Gillard's Petition for Rule Change at the August 9, 2002, Commission meeting. The requirement that card room owners and on-duty card room employees show their cards at the end of every game will be removed from WAC 230-40-610 on January 1, 2003. However, owners and on-duty card room employees will continue to show their cards when there is possibility of a "bad beat" situation.

Fee Increase Under Discussion



The Commission filed a rules package that would increase licensing and I.D. Stamp fees by approximately 3.29% for all licensees at the August 9, 2002, Commission meeting.

Furthermore, as a result of the 2002 bingo bill, which allows bingo operators to increase operation from three days to seven days a week and to share a facility, staff anticipate that charitable and nonprofit licensees will have increased gross receipts. Therefore, the license classes for bingo and punch boards/pull-tabs were expanded to support the higher gross receipts.

Staff anticipates these rules will be adopted at the November 15, 2002, Commission meeting and are evaluating an appropriate effective date. If you would like to comment on this fee increase, please attend the October or November Commission meeting, or forward your comments by **November 1, 2002**, to Susan Arland, Rules Coordinator, (800) 345-2529, ext. 3466 or (360) 486-3466, or Susana@wsqc.wa.gov.

What are Study Sessions?

Study sessions are held at each Commission meeting. These meetings provide an opportunity for staff and licensees to get together to discuss current issues. Topics discussed may include legislative bills, rules and other items that are currently on the Commissioner's agenda, or under review by staff. Additionally, these meeting are an excellent opportunity for licensees to bring forward questions and concerns. All licensees are encouraged to attend.

Study Session Agenda for the October 10, 2002, Commission Meeting

9:00 a.m. to 9:45 a.m.: Nonprofit Operators

Busing Bingo Players

9:45 a.m. to 10:30 a.m.: Commercial Operators

Digital Surveillance

Reporting Merchandise Prizes on Activity Reports

10:30 a.m. to noon: Strategic Planning Session

Stakeholder and Customer Survey



New Fines For Late Activity Reports

Commission rules require each licensee to send in their gambling activity report to the Commission within 30 days following the end of each calendar quarter. Every operator must submit a report even if they had no gambling activity during the quarter. Even licensees who are no longer in business must submit a report if they held a gambling license during the quarter in question. Failure to do so can be the basis for denying the person a license should he/she apply for a license in the future.

Timely submission of your reports is a very important responsibility that comes with your gambling license. We thank licensees who consistently submit their reports on time. For those who don't, significant problems are created. Commission staff use activity reports to prepare statistical reports. These reports are used to monitor gambling activities and to help make decisions that affect licensees. Late reports also affect our regulatory programs and increase our processing costs, which ultimately, are paid by all licensees.

Commission staff implemented new measures to encourage licensees having difficulty submitting their reports on time to do so, as required. The fines for late reports will be increased to cover the additional costs caused by late reports (additional phone calls, letters, attorney time in drafting charges and staff time). The fine is assessed to the operator who is late. Otherwise, the cost impact is spread across all licensees, which is not fair to those who submit reports on time.

If you need help preparing your report or need more time, please contact David Allison or Delores Motz of Financial Reporting Services, at (800) 345-2529, Ext. 3475 and 3474. Please note that we are willing to work with you if you have a legitimate reason for sending your report in late or need an extension of time. In any case, we need your report. Please assist us by submitting your report on time.



New Schedule of Fines Effective 3rd Quarter 2002

First Offense	\$300
Second Offense	\$500
Third Offense	Statement of Charges against your gambling license
Subsequent offenses may lead to the loss of your gambling license.	



Fines Paid for Late Activity Reports

The following licensees failed to submit their quarterly reports when due for first quarter 2002 (1st quarter = January 1 to March 31). They have now submitted their reports and paid a fine based on the number of late reports in the preceding one-year period.

Current Schedule of Fines

First Offense.....	\$200
Second Offense	\$400
Third Offense	\$600
Fourth Offense....	Statement of Charges issued
Subsequent offenses may lead to loss of license.	

Licensee Name and Location

2 Louies Bar & Grill, Blaine	<u>Fine</u> \$600
BC MacDonalds, Pateros	\$200
Cue & Cushion, Tacoma	\$200
Duluth Dew Drop Inn, Ridgefield	\$200
Stewarts Place Tavern, Snohomish	\$200

Administrative Charges Issued for Late Reports

LICENSEE	VIOLATION	CASE OUTCOME
Harbor Restaurant & Surf Room, Anacortes	Failure to submit Quarterly Activity Reports (QAR) in a timely manner (One violation in a 12-month period).	The licensee agreed to a fifteen-day suspension. Five days of the suspension were deferred for one year. The remaining ten days were vacated by payment of \$500, and reimbursement of the Commission's costs of \$120.
Gemini Restaurant & Sports Bar, Renton	Failure to submit QAR in a timely manner (One violation in a 12-month period).	The licensee agreed to a fifteen-day suspension. Five days of the suspension were deferred for one year. The remaining ten days were vacated by payment of \$500.
Niko's Place, Mercer Island	Failure to submit QAR in a timely manner (One violation in a 12-month period).	The licensee failed to respond to the charges; therefore, an Order of Default was entered at the June Commission Meeting for the revocation of the license.
Boondox, Longview	Failure to submit QAR in a timely manner (One violation in a 12-month period).	Following receipt of the charges, the licensee voluntarily surrendered its license, and ceased all gambling activities.
Club 99 Restaurant & Lounge, Vancouver	Failure to submit QAR in a timely manner, and violation of previous Agreed Order (Three violations in a 12-month period).	A Notice of Order of Suspension was issued for violation of a previous Agreed Order. The licensee served its eight day deferred suspension beginning August 10, 2002. To settle its pending charges, the licensee agreed to a 30-day suspension. Ten days were deferred. The remaining 20 days were vacated by payment of \$1,000 and reimbursement of the Commission's costs of \$240.
White Buffalo Saloon, Kirkland	Failure to submit QAR in a timely manner, operating with an expired license, and violation of previous Agreed Order (Five violations in a 12-month period).	A Notice of Order of Suspension was issued for violation of a previous Agreed Order. The licensee served its ten day deferred suspension beginning on July 14, 2002. To settle its pending charges, the licensee agreed to a 45-day suspension. Fifteen days were deferred; 20 days were vacated by payment of \$4,852 (which represents 75% of the licensee's net gambling receipts for 20 days), payment of its back licensing fees of \$1,146, and reimbursement of the Commissions' costs of \$160. The remaining ten days were served.

2002 Commission Meetings

October 10 & 11	WestCoast Grand Hotel 303 W. North River Drive Spokane, WA 99202 (509) 326-8000
November 14 & 15	DoubleTree Guest Suites 16500 Southcenter Parkway Seattle, WA 98199 (206) 575-8220
December	No Meeting

Field Office Move



The Northwest Regional Field office has moved from Lynnwood to Everett. The office is now located at:

**3501 Colby Avenue
Suite 102**

Everett, WA 98201

Phone: (425) 339-1728

Note: Staff telephone extensions remain the same.

Fax: (425) 339-1743

Comparing 1st Quarter 2001 to 1st Quarter 2002

1st Quarter = January 1 to March 31

BINGO licensees decreased 9%, from 160 to 146.

Bingo gross receipts decreased 13%, from \$36,605,746 to \$31,891,316.

Bingo operators provided 5% less funds to their charitable/nonprofit causes, from \$3,252,257 to \$3,077,451.

Bingo operators improved the percentage returned to their charitable/nonprofit causes from 8.8% to 9.6% of gross receipts.

CARD ROOM licensees increased 6%, from 90 to 95. The number of house-banked card rooms has remained virtually unchanged.

Card room gross receipts increased 6%, from \$60,834,948 to \$64,394,885.

Card room net income decreased 9%, from \$16,530,395 to \$15,083,664.

PUNCH BOARD/PULL-TAB licensees decreased 6%, from 2085 to 1969.

Punch board/pull-tab gross receipts decreased 4%, from \$127,516,316 to \$122,446,487.

TAX REVENUE reported for:

- Bingo has declined 10%.
- Punchboard/pull-tab (commercial and nonprofit) has decreased 5%, from \$4,199,320 to \$3,996,159.
- Card rooms have decreased 3%, from \$7,086,359 to \$6,903,068.

OVERALL

The total number of gambling licensees reporting activity decreased 5% during the past year, from 2473 to 2350.

Gross gambling receipts for the state decreased 3%, from \$226,929,118 to \$220,681,459.



AMENDATORY SECTION

WAC 230-40-610 Player-supported jackpots--Restrictions--Manner of conducting --Approval. A player-supported jackpot (PSJ) is a separate contest of chance directly related to the play and/or outcome of authorized nonhouse-banked card games but which is not the card game itself. Card rooms with a Class F or house-banked license may establish a prize fund for the purpose of operating a PSJ for nonhouse-banked card games. Any PSJ must be approved in writing by the director or the director's designee prior to play. A PSJ must meet the following requirements:

Funding a PSJ.

(1) A licensee may provide house funds to establish a PSJ. The licensee shall issue a check from the general business account into the PSJ account to start the prize fund. Recouping of start-up funds shall be done by issuing a check from the PSJ account to the business general account. Electronic bank transfers shall satisfy this requirement. Start-up funds shall not exceed five thousand dollars per PSJ.

Using a rake to fund a PSJ.

(2) A licensee may assess a portion of players' wagers for a jackpot prize. Such amount shall not exceed one dollar per hand or game for each PSJ. This assessment shall be separately collected using the rake method.

PSJ funds are player funds - exception from administrative fee.

(3) The licensee acts only as the custodian of the PSJ funds, including any interest earned on this money, and maintains no legal right to the funds. All PSJ funds shall be awarded as prizes, based upon a format approved by commission staff. An administrative fee not to exceed ten percent of the amount collected for a PSJ may be imposed by the licensee. This administrative fee includes all expenses incurred by the licensee, including banking fees. No other expenses beyond the ten percent administrative fee shall be deducted from the PSJ account.

Prize fund custodian.

(4) Each licensee shall designate at least one "prize fund custodian" who shall be responsible for safeguarding and disbursing funds to winners. A prize fund custodian may be an owner, partner, officer, or licensed individual designated by a card room owner, partner, or officer. The custodian shall have signature authority for prize fund bank accounts and ensure accountability of all funds collected for use in a PSJ. The licensee shall meet the deposit requirements of WAC 230-40-608.

Payout of prizes.

(5) Prize amounts paid in cash shall not exceed five hundred dollars. Prize amounts not awarded in cash shall be paid within twenty-four hours, by check, the type which provides a duplicate copy, which shall not be cashed on the licensee's premises. A record of all prizes paid shall be maintained in the format prescribed by commission staff and shall include:

(a) For prizes less than one hundred dollars, a system of accounting denoting each individual prize may be utilized.

(b) For prizes one hundred dollars and above, the following information shall be recorded on a prize record:

- (i) Full printed name;
- (ii) Date of birth;
- (iii) Street address;
- (iv) Type of identification reviewed;
- (v) Amount of the prize awarded;
- (vi) Description of the winning hand;
- (vii) Time and date awarded; and

(viii) The supervisor's and dealer's initials.

(c) Upon awarding a prize of five hundred dollars or more, the dealer shall fan the winning hand in view of the surveillance camera. The hand shall be collected and sealed with the prize record. The winning hand and remaining deck shall be maintained on the premises as part of daily card room records for a period of seven days, unless released by a commission agent.

Owners and employees competing for a PSJ.

(6) Owners, custodians and on-duty card room employees may participate in card games that offer a PSJ, but may not share in the winnings of any prize awarded. ~~((If playing in a game with a PSJ in which the prize is not based upon a predetermined hand, owners and card room employees must turn their cards face up at the end of each game so that the cards may be observed by other players at the table and surveillance.))~~ Any prize winnings an owner or on-duty employee may be entitled to under game rules, must be divided equally among the other players at the table: Provided, That off-duty employees may participate in card games that offer a PSJ and share in the prize winnings.

Owners and employees showing cards.

(7) Owners and on-duty card room employees must turn their cards face up at the end of each game so they may be observed by other players at the table and surveillance if:

(a) Playing in a game with a PSJ;

(b) The prize is not based upon a predetermined hand; and

(c) There is a qualifying hand at the end of a game (such as a "bad beat" hand).

House dealer required.

~~((+7))~~ (8) All card games offering a PSJ must utilize a house dealer.

Security requirements.

~~((+8))~~ (9) Each gaming table offering a PSJ shall be required to install a closed circuit television system as outlined in WAC 230-40-625: Provided, That licensees operating any house-banked card games shall follow the security requirements set forth in WAC 230-40-825 for all tables in the card room, including those offering a PSJ.

Removing a PSJ from play.

~~((+9))~~ (10) The following procedures shall be followed for all discontinued player-supported jackpots:

Discontinued.

(a) In the event a licensee elects to discontinue a PSJ, the balance, less any nonrecouped seed money, shall be distributed to players within sixty days of discontinuance by offering an approved promotion or card tournament of the same game under which the PSJ was originally accrued.

Closure of business.

(b) In the event a licensee ceases to operate a card room, or fails to maintain a valid card room license, all funds associated with the PSJ shall be distributed to the Washington state council on problem gambling.

Posting rules.

(c) The licensee shall conspicuously post a sign stating how PSJ money will be distributed in the event the PSJ is discontinued or the business closes. The sign must be posted at the inception of the PSJ.

House rules.

~~((+10+))~~ (11) House rules, to include administrative fees shall be posted in a location readily visible by all players and disclose the conditions under which prizes may be won, the prize amount, cost to participate, and any other conditions which may affect the outcome of the game.

Dispute resolution.

~~((+11+))~~ (12) If a dispute arises involving the outcome of a PSJ, the licensee shall preserve the video recording, the winning hand and remaining deck, and all records for the game where the dispute occurred and shall notify commission staff within twenty-four hours. The licensee shall document all information pertaining to the dispute including:

(a) The names, addresses, and phone numbers of all players, card room staff, and any witnesses involved;

(b) Amount of the advertised PSJ; and

(c) A full description of the circumstances surrounding the dispute.

~~((+12+))~~ (13) All disputes involving a PSJ will be investigated by commission staff, with a report submitted to the director. A written decision will be issued by the director, or the director's designee, and such decision shall be final.

~~((+13+))~~ (14) During the course of dispute resolution, the commission may become the temporary custodian of any and all prize funds. The PSJ will be suspended until the dispute is resolved.

AMENDATORY SECTION

WAC 230-04-180 ((Fingerprinting and)) Background checks--Fingerprinting.

The commission may require ((as a condition precedent to the issuance of)) background checks prior to issuing any license, certification or ((any)) permit, ((fingerprinting and background checks on any person seeking a license or for whom a permit is sought, or employees thereof, of any person holding an interest in any gambling activity, building or equipment to be used therefor, or of any person participating as an employee in the operation of any gambling activity. Such fingerprints as are required by the commission may be submitted to the identification division of the federal bureau of investigation and to the Washington state bureau of criminal identification in order that these agencies may search their records for prior arrests and convictions of the individuals fingerprinted.

The applicant, or the person for whom a permit is requested, shall give full cooperation to the commission and shall assist the commission in all aspects of its investigation)) on persons holding an interest in a gambling activity; persons holding an interest in a building or equipment used for a gambling activity; and employees of a gambling activity.

(1) A national criminal history background check, using fingerprints submitted to the United States Department of Justice -Federal Bureau of Investigation, shall be conducted to determine the qualifications of applicants for the following licenses, permits or certifications:

- (a) Amusement games for commercial use: Class E and above;
- (b) Card games: Class E, Class F and house-banked card rooms;
- (c) Punch boards/pull-tabs for commercial stimulant: Class F and above;
- (d) Manufacturers: Class B and above;
- (e) Distributors: Class B and above;
- (f) Gambling service suppliers;
- (g) Representatives for distributors, manufacturers, gambling service suppliers, and linked bingo prize providers;
- (h) Managers of commercial gambling operations;
- (i) Public card room employees; and
- (j) Linked bingo prize providers.

(2) The commission may require a national criminal history background check, using fingerprints submitted to the United States Department of Justice-Federal Bureau of Investigation, for any other person submitting information to the commission.

AMENDATORY SECTION

WAC 230-12-090 Problem gambling (~~((informational sign must be posted)) and caution disclosure--Advertisements and posting signs.~~ The legislature recognizes that some individuals in Washington state are problem or compulsive gamblers. Because the state promotes and regulates gambling through the activities of the lottery commission, horse racing commission and gambling commission, the state has the responsibility to continue to provide resources for the support of services for problem and compulsive gamblers. RCW 9.46.071 requires that the lottery commission, horse racing commission and gambling commission shall jointly develop informational signs concerning problem and compulsive gambling, and the signs shall be placed in establishments of gambling licensees, horse racing licensees and lottery retailers.

Posting information signs.

~~((All gambling commission licensees shall prominently post the problem gambling informational signs at each entrance and exit of their establishments. The))~~ (1) Informational signs will be provided to the licensee by the gambling commission and will contain the toll-free hotline number for the Washington state council on problem gambling. All gambling commission licensees shall prominently post the problem gambling informational signs at each entrance and exit of their establishments. Brochures to patrons containing the toll-free hotline number meet the posting requirement and will be supplied by the gambling commission(~~(+ Provided, That licensees may develop signs in compliance with this rule and the provision of RCW 9.46.071, but the signs must be reviewed and approved by the gambling commission.~~

~~If a licensee fails to prominently post the problem gambling informational signs in their establishments, they may be subject to a suspension of two days for the first violation, seven days for the second violation and fourteen days for each violation noted thereafter)).~~

Advertisements.

(2) All bingo licensees who operate in a premises where bingo is conducted on more than three occasions per week shall conspicuously include the following statement in any advertising or promotion of gambling activities conducted by the licensee:

"CAUTION: Participation in gambling activity may result in pathological gambling behavior causing emotional and financial harm. For help, call 1-800-547-6133."

NEW SECTION

WAC 230-20-002 Shared facilities for bingo licensees--Separate management.

Charitable and nonprofit bingo licensees shall enter into a written agreement prior to sharing a facility to conduct bingo games. Bingo licensees in shared facilities shall meet the following requirements prior to operating in a shared facility.

Notification to the director - written agreement.

(1) A written notification to share facilities must be made to the director at least thirty days prior to operating bingo in a shared facility. The notification must include, at a minimum, the following information:

- (a) Name of all organizations sharing the facility;
- (b) Names and signatures of the highest ranking officer for each organization involved;
- (c) Copies of any written agreements between organizations; and
- (d) The method by which expenses will be shared.

Requirements.

(2) Each bingo licensee sharing a facility shall maintain management over its own gambling activities.

(3) Each licensee will be solely responsible for its individual records, inventory, management, equipment, and operation of the gambling activities for which they hold a license.

(4) Each licensee must complete a separate quarterly activity report according to the gambling receipts and expenses it is responsible for under the terms of the written agreement between the licensees.

(5) Each licensee's head office or principal location defined in RCW 9.46.0205 must be located in the same county where the bingo game will be operated.

NEW SECTION

WAC 230-20-005 Shared management and facilities for bingo licensees--Shared allocation of revenues and expenses. Charitable and nonprofit bingo licensees may enter into a written agreement to share a facility and the management of bingo games. No more than three bingo licensees shall share a facility. Bingo licensees operating under shared management and facilities shall meet the following requirements prior to operating:

Notification to the director - written agreement.

(1) A written notification to share facilities must be made to the director, at least thirty days prior to operating in a shared facility. The notification must include, at a minimum, the following information:

- (a) The name of the lead organization and lead manager;
- (b) Name of all organizations sharing the facility;
- (c) Names and signatures of the highest ranking officer for each organization involved;
- (d) Copies of any written agreements between organizations; and
- (e) The method by which the gross gambling receipts, net income, expenses and prizes will be apportioned among the licensees conducting bingo.

Management.

(2) All managers of the bingo operation must be a bona fide member or employee of at least one of the participating organizations.

(3) Nonprofit gambling managers shall not participate in the operation of bingo games at more than one bingo facility.

Accounting.

(4) Records must be maintained by the lead organization, which clearly disclose the amount of money received and expended by the bingo operation. Records of expenses shall disclose for what purpose the money was spent.

(5) Each licensee must complete a separate quarterly activity report according to the percentage of gambling receipts and expenses it is responsible for under the terms of the written agreement contract between the licensees.

(6) Each licensee's head office or principal location defined in RCW 9.46.0205 must be located in the same county where the bingo game will be operated.

(7) A separate bank account must be established and maintained by the lead organization which will be used to deposit all proceeds from the bingo operation and pay all of the expenses in connection with the bingo operation, including, but not limited to, all payments of prizes.

(8) Each licensee is responsible to keep records of gambling proceeds received from the bingo operation and the use of those proceeds towards the stated purpose of the organization.

AMENDATORY SECTION

WAC 230-20-070 Regulation of managers, operators, and other employees-- Charitable or nonprofit organizations. Charitable or nonprofit organizations shall closely supervise all persons involved in the conduct of all gambling activities operated to ensure all rules of the commission are followed. The following restrictions apply to managers, operators, and other employees:

~~((What restrictions apply to persons involved in the operation of amusement games and raffles?))~~ **Amusement games and raffles.**

(1) **Amusement games and raffles.** No person other than a bona fide member of a qualified charitable or nonprofit organization shall take any part in the management or operation of, including the furnishing of equipment for amusement games, or work as an employee upon, amusement games or raffles conducted by that organization under a license from the commission: Provided, That for purposes of this section, performing functions that are not of a supervisory or management nature shall not be considered taking part in the operation of amusement games or raffles if:

(a) Such functions are performed by:

(i) Employees of the organization, who are hired on a regular or part time basis, and who are employed primarily for purposes other than the conduct of such activities; or

(ii) Individuals who are volunteers, when they are under the supervision of a member and are not directly or indirectly compensated for such functions;

(b) The organization keeps records that will allow the commission to determine the amount of gross gambling receipts received from such activities and to identify individuals responsible for receiving and controlling such. Records shall include at least the following:

(i) The full names, addresses, and phone numbers of employees and members involved in the activity; and

(ii) The number of tickets issued, sold, or returned by each employee or member involved in raffle ticket sales.

(c) Any additional cost to administer raffles authorized under authority of this section is paid by the licensee.

~~((What restrictions apply to persons involved in the operation of bingo games?))~~

Bingo.

(2) ~~((Bingo-~~

~~(a)))~~ No person other than a bona fide member or an employee of a charitable or nonprofit organization shall take any part in the management or operation of bingo games conducted under a license issued by the commission, and no licensee shall allow any person not one of its members or employees to do so.

(a) No person other than a bona fide member of a charitable or nonprofit organization operating without a license under RCW 9.46.0321 shall take any part in the management or operation of bingo conducted by that organization and no such organization shall allow any person not one of its members to do so.

(b) No person who takes any part in the management or operation of a bingo game conducted by one licensee shall take any part in the management or operation of any bingo game conducted by any other organization, or any other branch of the same organization except under the following conditions:

(i) A person participating in the conduct of bingo games by one Class A, B, or C licensee may also participate in the conduct of bingo games by other Class A, B, or C licensees on a voluntary basis only when such person receives no remuneration for services to other licensees and when the requirements of (c) of this subsection are satisfied; ~~((or))~~

(ii) A person participating in the operation of bingo games conducted by one licensee under any class of license may also participate in the operation of bingo games conducted by other licensees under any class of bingo license, but only when

that person has no managerial or supervisory responsibilities in connection with the operation of bingo activities by any licensee and when the requirements of (c) of this subsection are satisfied. An assistant gambling manager, as defined by WAC 230-04-145(6), shall not be deemed a person having managerial or supervisory responsibilities for the purpose of this section and may participate as an hourly employee in the bingo operations of other bingo licensees; or

(iii) A person managing or taking part in the operation of a shared bingo operation as authorized by chapter 230-005 WAC.

~~(c) ((Any licensee that desires to have any person, who participates in any manner in the conduct of bingo games for another licensee, participate in the conduct of its bingo games shall notify the commission, local police officials, and any other licensees for which the person works, in writing, of the following:~~

~~(i) The name and address of that person;~~

~~(ii) The name and address of any licensees for which that person is working;~~
and

~~(iii) The capacity in which that person is working for each licensee prior to the time that person participates in the conduct of the licensee's bingo games.~~

~~(d))~~ No licensee shall allow any person to take any part in the management, supervision or operation of a bingo game except in conformance with this rule.

~~((What special exceptions apply to agricultural fairs?))~~ **Agricultural fairs.**

(3) Certain premises excepted. The limitations set forth above in subsections (1) and (2) of this section shall not apply to qualified agricultural fairs conducting amusement games or bingo.

AMENDATORY SECTION

WAC 230-20-104 Cash register method of receipting bingo income. A cash register receipt may be used to document receipt of bingo income as long as the following requirements and standards are met:

Standards.

(1) Cash registers used must perform the following functions or meet the following standards:

(a) Have sufficient keys to record separately each type of sale as required by WAC 230-08-080;

(b) Store and compute a total for each type of sale recorded and must be capable of providing such upon request;

(c) The memory unit of electronic cash registers must retain all transactions recorded during a session, regardless of whether or not its power source is interrupted;

(d) Record all transactions, customer receipt numbers, and control totals on the internal tape retained in the cash register. The internal tape, showing these transactions, shall be retained with the daily records of the licensee for a period of not less than three years; and

(e) The cash register must assign and imprint on the customer receipt and internal tape a minimum four-digit consecutive number for every sales transaction processed. This numbering system must be of a type that can only be reset by service personnel and does not return to zero at the conclusion of any period of use or power interruption: Provided, That a cash register not meeting the requirements of this subsection but having adequate alternative control features may be used if written commission approval is received before use; and

(f) Cash registers used to record receipts for Class D and above licensees shall also imprint a minimum three-digit consecutive number on the customer receipt and internal tape to notate each time transactions are totaled or when a set of transactions are totaled and closed: Provided, That a cash register not meeting the requirements of this subsection but having adequate alternative control features may be used if written commission approval is received before use;

Customers receipts.

(2) The customer receipt must be imprinted with the following information:

(a) The name of the licensee operating the activity;

(b) The date;

(c) The amount of money paid for the opportunity to play each type of game;

(d) The total amount of money paid; and

(e) The consecutive customer receipt number;

Retention.

(3) All cash register receipts for voids, overrings, returns, "no sales" and any other receipts not issued to a player must be retained with the daily bingo records;

(4) The internal cash register tapes from all uses other than bingo income receipting shall be retained by the licensee for not less than three years and be available for commission staff review upon request.

Shared bingo facilities.

(5) A cash register may be used by multiple bingo licensees sharing a facility when the following information is recorded on a cash register use log:

(a) Name of the organization using the register;

(b) Name and signature of the cashier at the end of use;

(c) Beginning and ending transaction numbers;

(d) Date; and

(e) Beginning and ending time.

AMENDATORY SECTION

WAC 230-20-170 ((Bingo operation time and use of premises limitations.))
Hours for bingo games. Bona fide charitable or nonprofit organizations, except

when operating at an authorized agricultural fair or under RCW 9.46.0321, shall abide by the following restrictions when operating bingo games:

~~((1) Use of premises limitations: Charitable or nonprofit organizations shall not:~~

~~(a) Conduct or allow its premises to be used for conducting bingo on more than three occasions per week; or~~

~~(b) Conduct bingo in any location used by any other organization to conduct bingo which results in bingo games being conducted on more than three occasions per week at the same location.~~

~~(2) Time limitations:~~

~~(a) A bingo occasion may include as many bingo sessions a licensee desires, but shall not last more than eighteen consecutive hours.~~

~~(b) A bingo occasion shall not begin or end between the hours of 2:00 a.m. and 6:00 a.m.: Provided, That the director may allow an occasion to end up to 4:00 a.m. as long as the following conditions remain in effect:~~

~~(i) Local law enforcement agency with jurisdiction concurs; and~~

~~(ii) If applicable, other state agencies involved in regulating the charitable or nonprofit organization's activities, including, but not limited to, the liquor control board, do not object.)) (1) Licensees shall not allow the use of their premises for bingo games between the hours of 2:00 a.m. and 6:00 a.m.: Provided, That the director may allow closing hours to be adjusted beyond 2:00 a.m. as long as the following conditions are met:~~

(a) The director shall consult with the local law enforcement agency which has jurisdiction;

(b) The director shall consult with other state agencies involved in regulation of the business;

(c) A licensee must observe a four-hour period of closure at the end of each business day before beginning the next period of operation;

(d) At all times during the hours of bingo operation, a bingo manager must be on duty and in the licensed bingo area; and

(e) The licensee complies with any other terms and conditions imposed by the director.

(2) The director may deny the request for extended hours or revoke hours already approved if the local law enforcement agency or a state agency objects or if the director determines that the licensee has violated any provisions of chapter 9.46 RCW, any other commission rule, or any of the terms set forth in subsection (1) of this section. All objections to changing a licensee's operating hours or requests to revoke an approved operating schedule must be submitted in writing.

(3) The commission shall afford a licensee an opportunity for a brief adjudicative proceeding prior to denying or revoking the licensee's authorization for extended bingo hours of operation. The brief adjudicative proceeding shall be heard by an administrative law judge, under the provisions set forth in WAC 230-50-010(6), and RCW 34.05.482 through 34.05.494.

AMENDATORY SECTION

WAC 230-50-010 Adjudicative proceedings--Hearings. (1) Adjudicative proceedings shall be commenced for any and all matters wherein the commission is causing administrative charges to be brought against any applicant, licensee or permittee within the limitations to chapter 34.05 RCW as applicable.

(2) The commission shall afford an applicant for a license an opportunity for an adjudicative proceeding prior to denying such application, and shall afford a licensee the opportunity for an adjudicative proceeding prior to suspending or revoking a license.

(3) The commission will afford a person applying to the commission for approval of a pull-tab dispensing device under WAC 230-30-095 an opportunity for an adjudicative proceeding prior to denying approval of such device.

(4) No hearing will be conducted with respect to any adjudicative proceeding unless an application for an adjudicative proceeding and request for hearing is timely filed by the applicant or licensee with the commission in compliance with WAC 230-50-210. The application must be made upon a form to be obtained from the commission, or facsimile thereof, and must be received within 20 days following service upon the party affected by the commission or the director of a notice of administrative charges and opportunity for an adjudicative proceeding. Said document shall contain the maximum penalty that may be assessed should an application not be filed by the party affected. An application for an adjudicative proceeding and request for hearing shall accompany all notices of administrative charges.

(5) If an application for an adjudicative proceeding is not timely filed, then the party affected shall have waived the right to a hearing on the allegations set forth in the notice of administrative charges. The party shall be deemed to be in default pursuant to RCW 34.05.440 and the commission and director may take action against the party not to exceed the maximum penalty as stated in the notice of administrative charges and opportunity for an adjudicative proceeding, which action shall be final.

(6) The procedures of RCW 34.05.485, brief adjudicative proceedings, shall be used for the following purposes:

(a) All hearings in which the penalty sought by the commission is for a suspension of seven days or less;

(b) Hearings held pursuant to WAC 230-50-015 (stay of summary suspension);

(c) Hearings held pursuant to WAC 230-04-400(3) (failure to pay required gambling taxes);

(d) Hearings held pursuant to WAC 230-04-190 (10)(c) (two part payment plan: Failure to make second payment);

(e) Hearings in which the parties have stipulated to facts or the parties have stipulated to charges, and the hearing is limited to a determination of whether facts constitute violations as charged and/or determination of appropriate penalty to be imposed;

(f) Denial of an application to operate at a higher bingo license class when the licensee has been restricted by WAC 230-20-062;

(g) Hearings held pursuant to WAC 230-20-059 (failure for charitable or nonprofit organizations to contribute required funds to their stated purpose or maintain a positive adjusted cash flow);

(h) Hearings held pursuant to WAC 230-08-255 (failure for charitable or nonprofit organizations to make significant progress);

(i) Denial or revocation of extended card room hours pursuant to WAC 230-40-400;

(j) Denial or revocation of extended bingo hours of operation pursuant to WAC 230-20-170;

(k) Denial of request for Phase II pursuant to WAC 230-40-810;

~~((k))~~ (1) Repeal of an approved card game pursuant to WAC 230-40-010; or

((~~(1)~~)) (m) Where the parties have stipulated to the use of brief adjudicative proceedings.

REPEALER

The following section of the Washington Administrative Code is repealed:

WAC 230-04-315

Change of schedule.

Stakeholder and Customer Survey Questions

1. What major issues do you see the Washington State Gambling Commission facing over the next 5 to 7 years?
2. Where should the Washington State Gambling Commission focus its resources over the next 5 to 7 years?
3. Please add any other general comments you feel will assist us in our strategic planning process.

Regulatory and Operational Questions
Please call your Regional Field Office

Everett	(425) 339-1728	Tacoma	(253) 471-5312	Spokane	(509) 456-3167
Bellingham	(360) 738-6203	Yakima	(509) 575-2820	Wenatchee	(509) 662-0435

Headquarters - Lacey
(800) 345-2529 or (360) 486-3440

Administration	3447	Administrative Charges/Hearings	3465
Media Questions	3466/3463	Tribal Negotiations	3449
License Application Requests	3440	Tribal Regulation and Implementations	3587
Status of License Application (General)	3440	Problem Gambling	3468
Licensing Investigations	3555	Rule Changes	3466
(Commercial, Nonprofit, Suppliers, Mfg, Class III)		Commission Meeting Agenda	3447
Mandatory Training Schedule	3440	Licensee Activity Reports	3474
Public Disclosure Requests	3529	Record Keeping Forms	3440
Newsletter	3466	ID Stamps (Business Operation Office)	3489
		Human Resources (Personnel)	3457

Washington State Council on Problem Gambling
(800) 547-6133

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